

Employment Expenses Unit

Preface

This unit calculates the allowable earned income deductions of the **fiscal group** (AFDC-Related Fiscal Group Unit) members.

Use the yellow AFDC-Related Determination Work-sheet to record the fiscal group's total earned income after deducting individual work expenses.

Also use the AFDC-Related Dependent Care Work-sheet. This worksheet will help you:

1. Calculate the fiscal group's dependent care deductions, and
2. Determine the fiscal group's net income after making dependent care deductions.

The Dependent Care Worksheet has 3 sections.

Section I finds:

1. Each dependent's maximum allowable deduction, taking into account his/her age, and
2. The dependent care amounts fiscal group members have actually paid.

Sections II & III find:

1. The amount of dependent care deduction the fiscal group will receive.
2. The net earned income (after the dependent care deduction) of each person in the fiscal group who has earned income.

Anytime the result of a calculation you do in this unit is a negative number, treat it as if it's zero.

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01. Is anyone in the fiscal group employed or self-employed? AFEQ/AFSE

If yes, do the following:

- a. Find the earned income of each employed or self-employed person in the fiscal group.
- b. Subtract \$90 from each person's earned income.
- c. Add together the fiscal group's remaining earned income.
- d. Enter the total on line 9 of the AFDC-Related Determination Worksheet.
- e. Go to 02.

If no, go to 02.

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02. Does any fiscal test group member have **dependent care** paid on his/her behalf by another fiscal group member? AFDQ/AFDC

If yes, each fiscal group member for whom dependent care is paid by another fiscal group member is a dependent.

Each fiscal group member who pays dependent care for another fiscal group member is a payor. Go to 03.

If no, go to the Special Exempt Income Unit.

03. Is there an earned income amount on line 9 of the AFDC-Related Determination Worksheet?

If yes, do the following:

- a. Make a copy of the AFDC-Related Dependent Care Worksheet.
- b. Fill out the identifying information at the top (before Section I) of the worksheet.
- c. Go to 04.

If no, go to the Special Exempt Income Unit.

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04. In Section I of the Dependent Care Worksheet, do the following:

- a. Write the name of each dependent on line 1 at the top of a column. ANHR
- b. Write each dependent's age on line 2 under his/her name. ANID
- c. Go to 05.

05. Are you determining eligibility for month 1, 2, 3, or 4 for any dependent?

If yes, pick 1 of these dependents and go to 06.

If no, do the following:

- a. For each dependent who is less than 2 years old at any time during the income month that corresponds to the month you're determining eligibility for, write \$200 on his/her line 3.
- b. For each dependent who is 2 years old or older during the entire income month that corresponds to the month you're determining eligibility for, write \$175 on his/her line.
- c. Go to 07.

06. Was/is/will this dependent be less than 2 years old at any time during month 1 or month 2? ANID

If yes, do the following:

- a. Write \$200 on his/her line 3.
- b. Go to 07.

If no, do the following:

- a. Write \$175 on his/her line 3.
- b. Go to 07.

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07. Is there a dependent who doesn't yet have an amount on line 3 for whom you're determining month 1,2,3,or 4 eligibility?

If yes, pick 1 of these remaining Dependents and go back to 06.

If no, go to 08.

08. Do the following:

- a. Write the name of each payor 1 of the lines under "4. Payor Names."
- b. On the same line where you wrote each payor's name, write the amount s/he pays for each dependent in that dependent's column.
- c. For each dependent, add together the amounts that are written under his/her name on the lines under "4. Payor Names." Write that total on the dependent's line 5.
- d. Compare each dependent's line 3 and line 5 amounts. If they're equal, write either amount on the dependent's line 6. If they aren't equal, write the lesser amount on his/her line 6.
- e. Go to 09.

09. Do the following:

- a. Add together all the Section I, line 6 amounts and write that total on the "Maximum Dependent Care Deduction" line in Section II.
- b. Go to 10.

10. Is there a payor you haven't yet tested beginning with this step?

If yes, go to 11.

If no, go to 12.

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11. Does s/he have earned income?

AFEI

If yes, from the payors you haven't yet tested beginning with this step, pick the one who has the highest net earned income. Go to 14.

If no, go to 12.

12. Is there a fiscal test group member you haven't yet tested beginning with this step?

If yes, go to 13.

If no, go to 17.

13. Does s/he have earned income?

AFEI

If yes, do the following:

a. Pick the person from this group who has the highest earned income. For all remaining dependent care questions, consider this person to be a payor.

b. Go to 14.

If no, go to 17.

14. On the Dependent Care Worksheet, do the following:

a. In Section III, write this payor's name at the top of the next available column.

b. Write this payor's net income (net income = earned income minus the \$90 work expenses deduction) under his/her name.

c. Go to 15.

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15. Is this the 1st payor that you are testing here?

If yes, look at the "Maximum Dependent Care Deduction" you wrote in Section II. Go to 16.

If no, look at the last "Remaining Deduction" you wrote in Section II. Go to 16.

16. Is this payor's net earned income in Section III greater than or equal to the "Maximum Dependent Care Deduction" (or "Remaining Deduction") amount?

If yes, do the following:

- a. In Section II, copy the "Maximum Dependent Care Deduction" (or "Remaining Deduction") amount to the next Section II "Minus Deduction" line. Do the math.
- b. In Section III, write the same amount in this payor's next Section III "Minus Deduction" line. Do the math to find his/her remaining net income.
- c. Go to 17.

If no, do the following:

- a. In Section III, write this payor's "Net Earned Income" on the next "Minus Deduction" line under his/her name.
- b. In section II, write the same amount on the next Section II "Minus Deduction" line. Do the math to get a new "Remaining Deduction" amount.
- c. In Section III, write a "0" on this payor's next "Remaining Net Income" line.
- d. Go back to 10.

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17. Do the following:

- a. Add together all the "Remaining Net Income" amounts you've recorded in Section III.
- b. Replace the total on line 9 of the AFDC-Related Determination Worksheet with this total.
- c. Go to the Exempt Income Unit.